TRANSIT-ORIENTED DEVELOPMENT

San Diego
Metropolitan Transit System's
2006 TOD Projects

SMART CORNER TRANSIT-ORIENTED DEVELOPMENT PROJECT

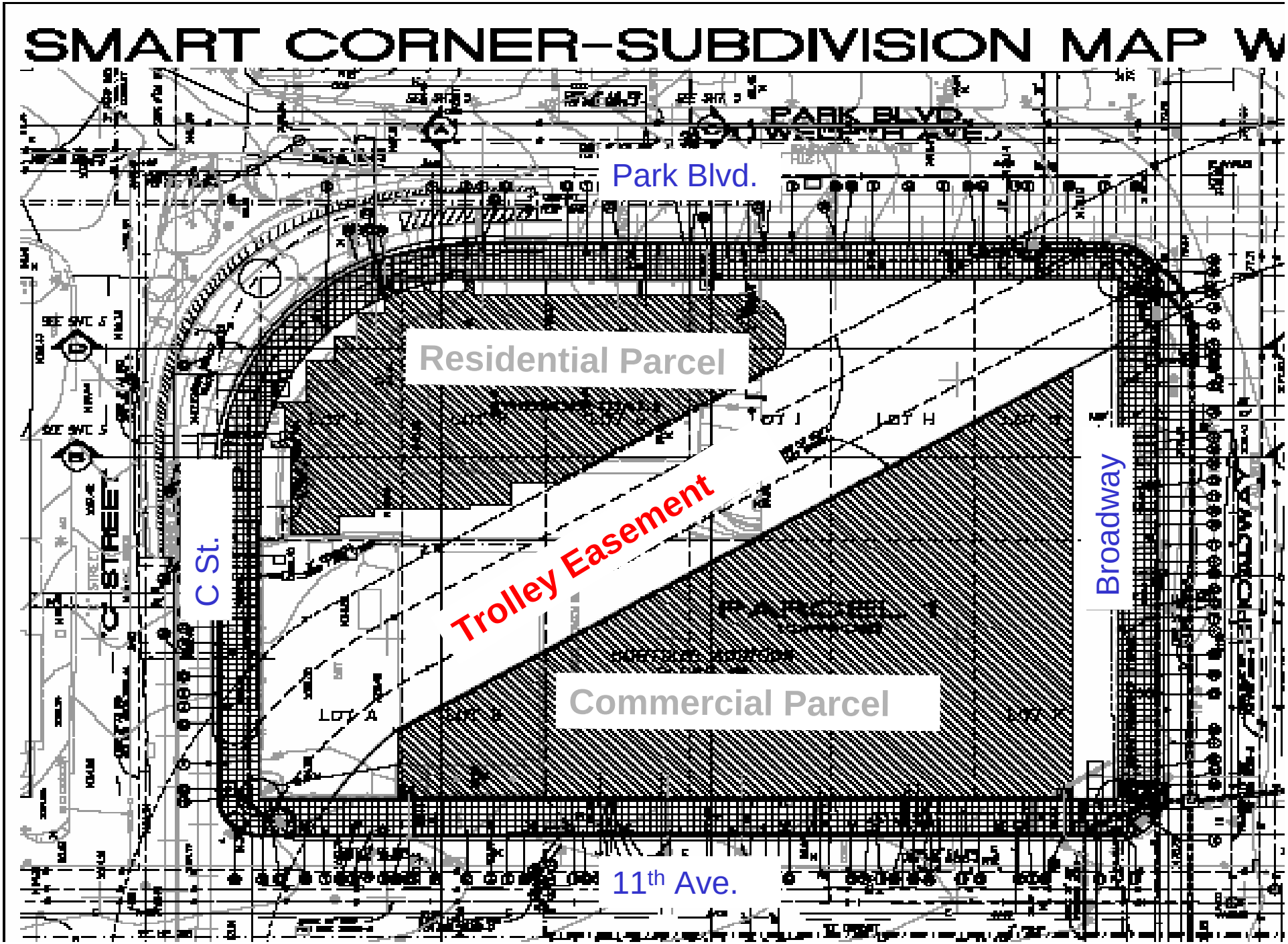
A partnership between the Redevelopment Agency of the City of San Diego, CJUF Smart Corner LLC, MTS, and SANDAG

Smart Corner Project History:

- MTS owns a small parcel within the proposed development site.
- City of San Diego and CJUF entered into Exclusive Negotiating Agreement to construct a 12-story, 175-unit residential tower and a mid-rise, five-story office building.
- The project also includes ground-floor retail and a rooftop garden plaza.

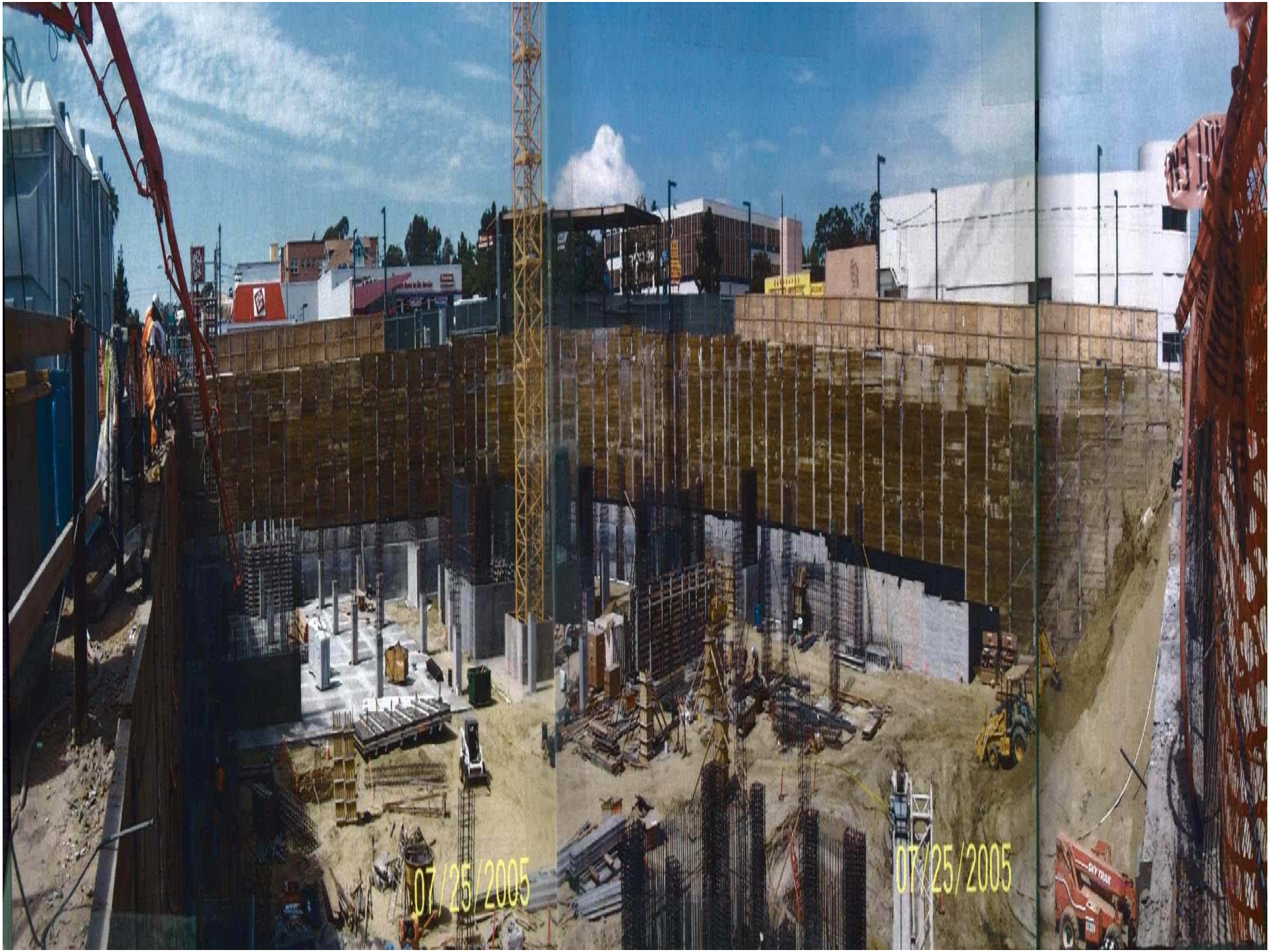
Smart Corner Project History:

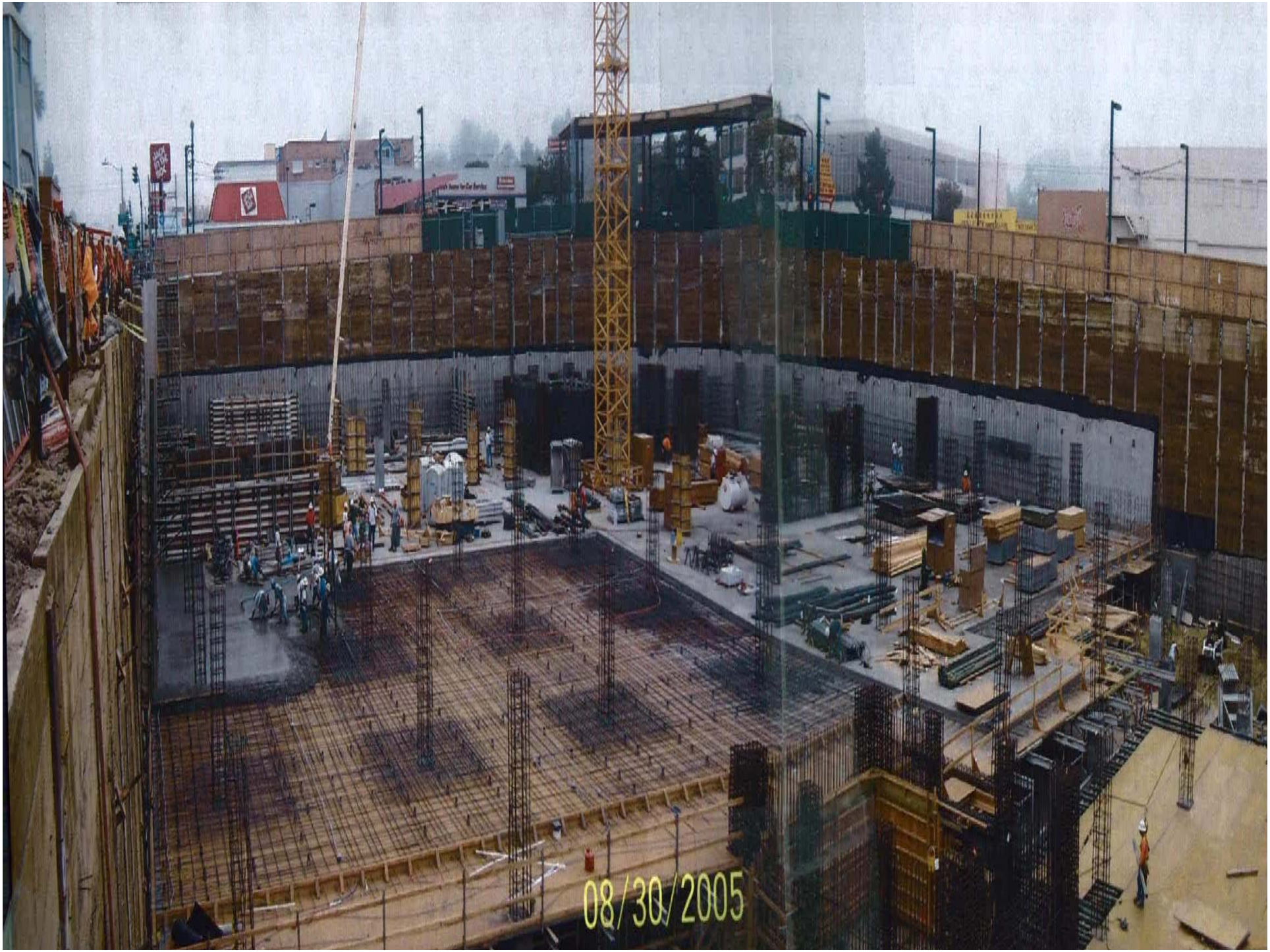
- Existing LRT tracks run down Park Boulevard and onto C Street directly across from San Diego City College.
- The track alignment makes a sharp 110- to 120-foot curb radius turn at the Park and C Street intersection.
- The Smart Corner Project incorporates realigning the track to run diagonally through the development from the southeast corner of Broadway and Park to the northwest corner of Eleventh Avenue and C Street.
- A new station will be constructed between the office building and residential tower directly over the parking garage.


SMART CORNER–SUBDIVISION MAP W
Park Blvd.
Residential Parcel
Trolley Easement
C St.
Broadway
Commercial Parcel
11th Ave.

Smart Corner Legal Documents:

- Cooperation Agreement – formalized land swap from MTS to City of San Diego.
- Transit Development Agreement – specified how the project was going to be built, including timing for construction of the LRT station and enhanced bus amenities. *Developer liable for failure to adhere to performance schedule to protect capital funds.*
- Trolley Easement Agreement - governs the terms and conditions of MTS's use of the areas that surround the new trolley station for maintenance and operation.


07/25/2005
07/25/2005
SKYTRAK


08/30/2005

CABRILLO HOIST
01/03/2006
01/03/2006

Tirestone
Tirestone
CANTILEVER
ATLAS
11/09/2005

MORENA LINDA VISTA TRANSIT-ORIENTED DEVELOPMENT PROJECT

A partnership between Morena Vista LLC, MTS, and the City of San Diego

Morena Vista Project History:

- MTS owns a 6-acre parcel adjacent to Morena/Linda Vista Trolley Station.
- In 1997 MTS and City of San Diego issued an RFP for transit-oriented development.
- On June 12, 1998, MTS entered into an Exclusive Negotiating Agreement with Morena Vista LLC for development of a mixed-use residential and commercial project.
- Morena Vista LLC deposited $100,000 to cover staff costs and consultant fees.
- MTS retained R. Martin Bohl, Esq. (special outside counsel) and Keyser Marston & Associates (financial advisors) to assist with the project.

Morena Vista Project History:

- On April 6, 2000, the MTS Board approved a Disposition and Development Agreement (DDA) and a Ground Lease.
- The DDA governed the project development up to the start of construction.
- The Ground Lease governed the project during and after construction.

Morena Vista Legal Documents:

- 55-year Ground Lease with 25-year option and 19-year option (99 years total).
- Base rent in the amount of $150,000 per year, commencing the earlier of 15 months for the residential parcel and 12 months for the commercial parcel, after all permits had been received or a Certificate of Occupancy was issued.
- Base rent increased 12.5% every 5 years.
- Property reappraised on 30th, 56th and 80th anniversaries.

Morena Vista Legal Documents:

- Overage rent = 1% of gross income.
- Additional rent = 2.15% of gross income at the time income reaches $2.2 million annually for commercial parcel and $800,000 annually for residential parcel or six years after stabilization.

Morena Vista Project Overview:

- As originally conceived, the project included 24,000 feet of commercial space, 127 residential units, a 396 space on-site parking lot, and a 120 space off-site parking lot.
- Sav-on Drug Store was anchor tenant.
- Project scheduled for completion January 15, 2003.

Morena Vista Project Modifications:

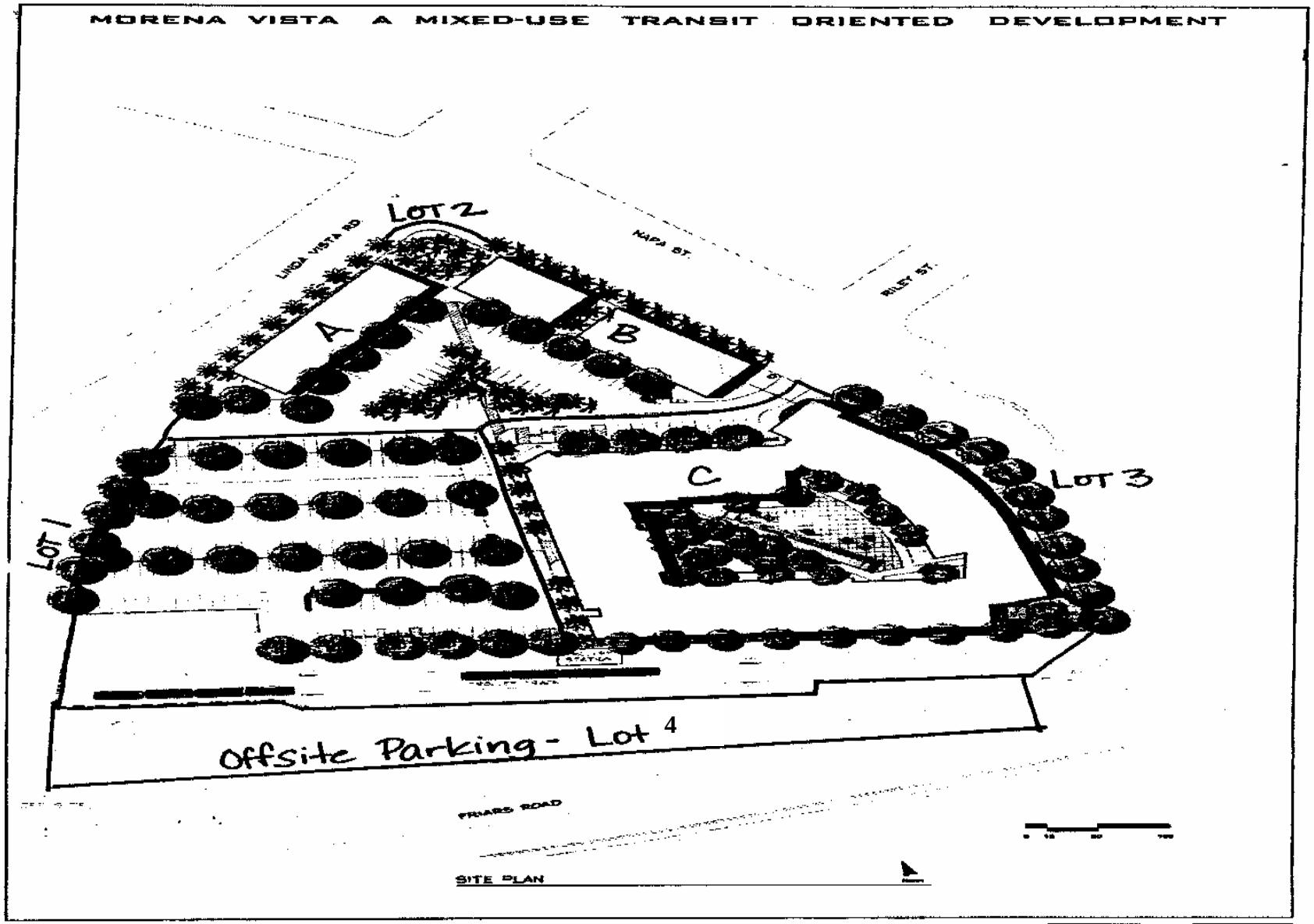
- On January 16, 2003, the MTS Board approved an Amended DDA and Ground Lease based upon the changed economics of the project.
- The amendments to the DDA included:
  - Base rent remained at $150,000/year; $150,000 upfront payment due upon close of escrow;
  - Overage rent and additional rent were combined into a single rent component (Overage rent).

Morena Vista Project Redesign:

- As redesigned, the project includes:
  - 161 apartments and 18 lofts with 10% affordable-housing component.
  - 18,500 sq. ft. of retail space
  - 80 park-n-ride spaces
  - 120 off-site parking spaces
- Total project cost $50.1 million.

MORENA VISTA

MORENA VISTA A MIXED-USE TRANSIT ORIENTED DEVELOPMENT



MORENA VISTA MIXED-USE DEVELOPMENT
MORENA VISTA LLC
CITYLINK INVESTMENT CORPORATION
2508 DONBRESS, STE. 110
SAN DIEGO, CA 92110
TEL: 619 220 7094
FAX: 619 220 7117

A-2

GROSSMONT TROLLEY STATION TRANSIT-ORIENTED DEVELOPMENT PROJECT

A partnership between MTS,
Fairfield Residential LLC, and
City of La Mesa

Grossmont Project History:

- MTS and City of La Mesa issue a Request for Proposals for Transit-Oriented Development.
- June 2003 MTS, City of La Mesa, and Fairfield enter into Exclusive Negotiating Agreement.
- Fairfield proposes to develop 527 apartment homes, including 80 affordable housing units, and 2,600 sq. ft. of retail/commercial space.

Grossmont Project History:

- Fairfield's proposed development costs total $90 million.

- Concurrent public improvement project totaling $4.7 million will include elevator, pedestrian bridge, concrete bus pads, enhanced station paving, and drainage improvements.

Grossmont Legal Documents:

- Disposition and Development Agreement (DDA) and Ground Lease

Financial Terms

- Term of Ground Lease: 55-year lease term with two options to renew for 15 years and a third option to renew for 14 years. Total term of 99 years.
- Base Rent: $85,333 years 0-2 or until 1/3 of the units are completed; $170,667 years 2-4 or until 2/3 of the units are completed; $256,000 per year thereafter until year 30.

Grossmont Financial Terms:

- Base Rent Escalation: Consumer Price Index adjustment every 5 years limited to 15 percent commencing in year 31.
- Appraisal Adjustment of Base Rent: Base rent is adjusted to 8% of the fair market value of the land based upon "mark-to-market" appraisal at years 31, 56, and 80, but in no case greater than 6.5%, 8.0%, and 10% of gross collections based upon appraisal at years 31, 56, and 81.
- Overage Rent: 1.25 percent of gross income commencing year 1 and completing in year 30.

Grossmont Financial Terms:

Revenue generation estimated at $381,285 beginning in year 1 of the Ground Lease

Total revenue projection over the 99-year lease term at $635,278,000

Transit-Oriented Development Project

Existing parking lot

Grossmont Trolley Station
Transit-Oriented Development Project

Grossmont Trolley Station
Transit-Oriented Development Project

MTS

Proposed Elevator & Bridge